

**CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE
CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011**

**WITH
INDEPENDENT AUDITOR'S REPORT**



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA

Annual Financial Statements
as of and for the Year Ended December 31, 2011
with Supplemental Information Schedules

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CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA

Annual Financial Statements
as of and for the Year Ended December 31, 2011
with Supplemental Information Schedules

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Concordia Fire Protection District No. 2
Vidalia, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Concordia Fire Protection District No. 2, a component unit of the Concordia Parish Police Jury, as of and for the year ended December 31, 2011, which collectively comprise the Concordia Fire Protection District No. 2's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Concordia Fire Protection District No. 2's management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Concordia Fire Protection District No. 2 as of December 31, 2011, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2012, on our consideration of the Concordia Fire Protection District No. 2's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and 20 through 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Concordia Fire Protection District No. 2's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended for the information of the Members of the Board of Supervisors, the Concordia Parish Police Jury, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silas Simmons, LLP

Natchez, Mississippi
June 18, 2012

SECTION I
REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011

INTRODUCTION

Our discussion and analysis of Concordia Fire Protection District No. 2 of Concordia Parish, Louisiana's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2011.

The District's boundaries are all of Concordia Parish except inside of the corporate limits of any municipality in Concordia Parish and inside of the Monterey Fire Protection District No. 1. Concordia Parish is located in East Central Louisiana.

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities by \$1,540,385 and \$1,510,933, at December 31, 2011 and 2010, respectively.
- Total revenues exceeded expenditures by \$29,452 and \$4,095, at December 31, 2011 and 2010, respectively.
- The District had net capital assets of \$937,299 and \$1,015,293, at December 31, 2011 and 2010, respectively.
- The total payroll was \$166,552 and \$140,405, at December 31, 2011 and 2010, respectively.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year.

The government-wide financial statements outline functions of the District that are principally supported by property taxes and sales taxes. Fixed assets and related debt are also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 7-8 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The basic governmental fund financial statements can be found on pages 9-12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-19 of this report.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA, LOUISIANA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the net assets at December 31, 2011 and 2010:

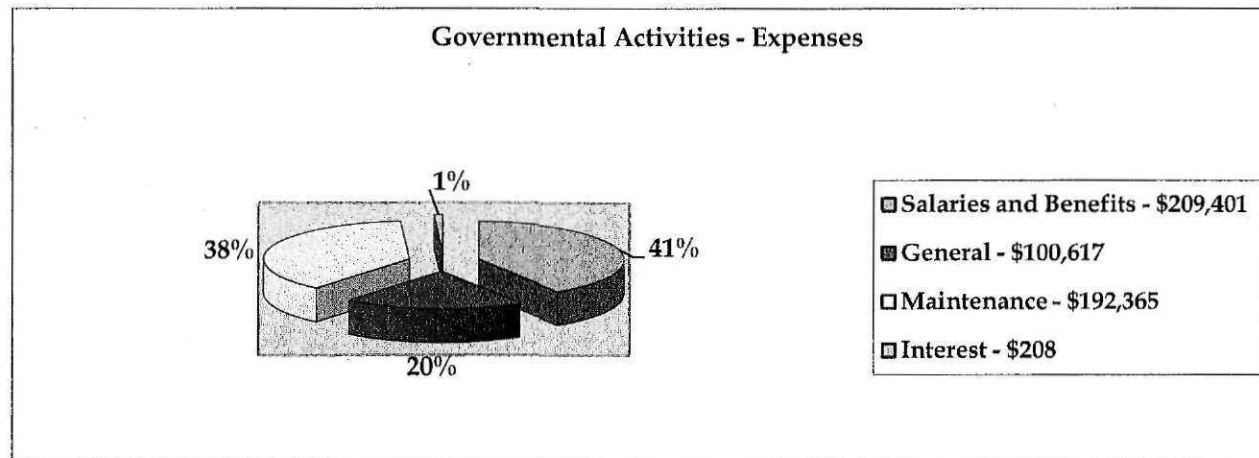
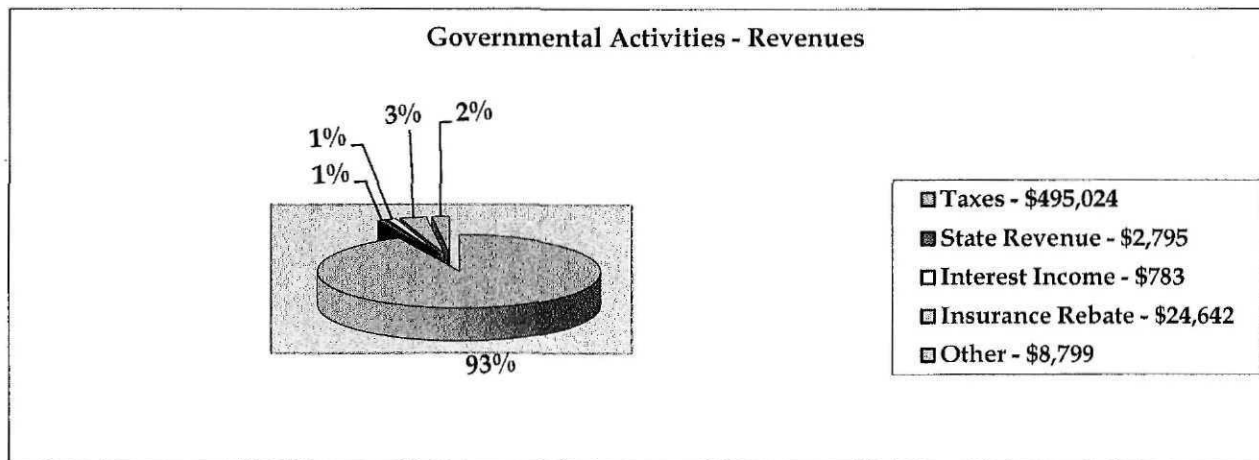
	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 612,721	\$ 605,576
Capital assets	937,299	1,015,293
Total assets	<u>\$ 1,550,020</u>	<u>\$ 1,620,869</u>
Current liabilities	\$ 9,635	\$ 14,901
Long-term liabilities	-	95,035
Total liabilities	<u>\$ 9,635</u>	<u>\$ 109,936</u>
Net assets		
Investment in capital assets (net of related debt)	\$ 937,299	\$ 920,258
Unrestricted	603,086	590,675
Total net assets	<u>\$ 1,540,385</u>	<u>\$ 1,510,933</u>

The following is a summary of the statement of activities for 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Revenues		
Taxes	\$ 495,024	\$ 440,691
State revenue sharing	2,795	3,888
Insurance rebate	24,692	24,496
Interest income	783	2,368
Other	8,799	4,182
Total revenues	<u>\$ 532,043</u>	<u>\$ 475,625</u>
Expenses		
Salaries and benefits	\$ 209,401	\$ 182,188
General administrative	100,617	113,818
Maintenance	192,365	166,574
Interest expense	208	8,950
Total expenses	<u>\$ 502,591</u>	<u>\$ 471,530</u>
Increase in net assets	\$ 29,452	\$ 4,095
Net assets, beginning of year	<u>1,510,933</u>	<u>1,506,838</u>
Net assets, end of year	<u>\$ 1,540,385</u>	<u>\$ 1,510,933</u>

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011

The following are a graphical representation of information presented in the Statement of Activities for Governmental Activities in 2011:



GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget was not amended during the last year.

The actual general fund expenditures were \$4,740 under the budget amounts.

Revenues available for expenditure were \$114,290 more than budgeted amounts.

**CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

CAPITAL ASSETS

At the end of the year, the District had \$937,299 invested in capital assets, including land, buildings, furniture, fire-fighting equipment, and vehicles. This year there were additions of \$60,580 in capital assets. More detailed information about the District's capital assets is presented in Note 4 of the financial statements.

The additions in 2011 included the following:

Fire fighting gear	\$ 54,310
Doors with locksets	2,370
Cube container	<u>3,900</u>
Total	<u>\$ 60,580</u>

DEBT

During 2011 the District paid off a new fire truck loan of \$191,070. The final payment was \$95,035 in principal.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Taking all factors into consideration, the District's general fund balance is expected to remain unchanged by the close of 2012.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Nolan Cothran, Fire Chief, P. O. Box 1150, Vidalia, Louisiana 71373, (318) 336-4658.

SECTION II

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

ASSETS

Current assets:

Cash and cash equivalents	\$ 170,493
Receivables, net	442,228
Capital assets, net	<u>937,299</u>

Total assets \$ 1,550,020

LIABILITIES

Accounts payable

\$ 9,635

Total liabilities

\$ 9,635

NET ASSETS

Invested in capital assets, net of related debt

\$ 937,299

Unrestricted

603,086

Total net assets \$ 1,540,385

The accompanying notes are an integral part of this financial statement.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

GENERAL REVENUES

Taxes	
Ad valorem taxes	\$ 495,024
Intergovernment revenues	
State revenue sharing	2,795
Insurance rebate	24,642
Interest income	783
Miscellaneous revenues	<u>8,799</u>
Total general revenues	\$ <u>532,043</u>

GENERAL EXPENSES

Governmental activities - public safety	
Salaries and benefits	\$ 209,401
General administrative	100,617
Maintenance	192,365
Interest expense	<u>208</u>
Total general expenses	\$ <u>502,591</u>

Change in net assets	\$ 29,452
Net assets, beginning of year	<u>1,510,933</u>
Net assets, end of year	<u><u>\$ 1,540,385</u></u>

The accompanying notes are an integral part of this financial statement.

SECTION III
FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2011

ASSETS

Current assets	
Cash and cash equivalents	\$ 170,493
Receivables, net	<u>442,228</u>
Total current assets	<u>\$ 612,721</u>

LIABILITIES AND FUND BALANCES

Current liabilities	
Accounts payable	\$ <u>9,635</u>
Fund balance	
Unassigned	\$ <u>603,086</u>
Total fund balance	<u>\$ 603,086</u>
Total liabilities and fund balance	<u>\$ 612,721</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011

Fund balances, total governmental funds (Statement C)	\$	603,086
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Amounts reported for governmental activities in the statement of net assets is different because:

Capital assets used by governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Cost of capital assets	\$	2,764,030		
Less accumulated depreciation		<u>(1,826,731)</u>	<u>937,299</u>	

Net assets of governmental activities (Statement A)	\$	<u>1,540,385</u>
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CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011

REVENUES

Taxes	
Ad valorem taxes	\$ 495,024
Intergovernmental revenues:	
State revenue sharing	2,795
Insurance rebate	24,642
Interest income	783
Other revenues	8,799
Total revenues	<u>\$ 532,043</u>

EXPENDITURES

Public safety	
Salaries and benefits	\$ 209,401
General administrative	100,617
Maintenance	53,791
Capital outlay	60,580
Debt service	
Principal	95,035
Interest	5,154
Total expenditures	<u>\$ 524,578</u>
Excess of revenues over expenditures	\$ 7,465
Fund balance, beginning of year	<u>595,621</u>
Fund balance, end of year	<u>\$ 603,086</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011

Net changes in fund balance – governmental fund (Statement E)	\$	7,465
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Amounts reported for governmental activity in the statement
is different because:

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those assets
is allocated over their estimated useful lives and reported as
depreciation expense.

Expenditures for capital assets	\$	60,580	
Less current year depreciation		<u>(138,574)</u>	(77,994)

Repayment of debt principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net assets. Thus, the change in net assets differs from the change in fund balances by the amount of debt repayments, which is:	95,035
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount is the net effect of these differences in the treatment of interest paid on debt.	<u>4,946</u>
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Change in net assets per statement of activities (Statement B)	\$	<u><u>29,452</u></u>
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NOTES TO FINANCIAL STATEMENTS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

INTRODUCTION

1. The Concordia Fire Protection District No. 2 was created October 9, 1989, by the Concordia Parish Police Jury by ordinance. The District operates in compliance with Part II, Title 40:1492-1502 of the Louisiana Revised Statutes.
2. The purpose of the District is to provide fire protection.
3. The District's boundaries are all of Concordia Parish except inside of the corporate limits of any municipality in Concordia Parish and inside of the Monterey Fire Protection District No. 1. Concordia Parish is located in East Central Louisiana.
4. A Board of Supervisors appointed by the Concordia Parish Police Jury governs the District. The board members are paid \$50 per meeting.
5. The District has one full-time employee and six part-time employees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements of the Concordia Fire Protection District No. 2 have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statement - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

B. Reporting Entity

The District does not possess all the corporate powers necessary to make it a legally separate entity from the Concordia Parish Police Jury, which holds the District's corporate powers. For this reason, the District is a component unit of the Concordia Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by the governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting (continued)

Governmental funds account for all of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District. The following is a description of the District's fund:

1. General Fund - the primary operating fund of the District and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.

D. Measurement Focus/Basis of Accounting

Fund Financial Statements

The amounts reflected in the Governmental Funds of Statements C and D are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District's operations.

The amounts reflected in the Governmental Funds of Statements C and D use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when the obligations are expected to be liquidated with expendable available financial resources.

Government-Wide Financial Statements

The page labeled Statement of Net Assets (Statement A) and the page labeled Statement of Activities (Statement B) display information about the District as a whole. These statements include all of the financial activities of the District. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting.

E. Deposits and Investments

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposit, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Receivables and Payables

All trade and property tax receivables are shown net of allowance for uncollectibles.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes for 2011:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Fire protection maintenance	6.94 mills	6.94 mills

The following are the principal taxpayers and related property tax revenue for the District in 2011:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue for District</u>
Catalyst Old River	Hydro Power	\$ 37,541,450	51%	\$ 260,538
Union Underware Co., Inc.	Warehouse	13,682,780	19%	94,959
		<u>\$ 51,224,230</u>	<u>70%</u>	<u>\$ 355,497</u>

G. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	40 years
Furniture and fixtures	5 years
Vehicles	5 years
Equipment	10-15 years

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Compensated Absences

The District has the following policy relating to vacation and sick leave:

- Vacation: After one year, employee receives eighteen (18) calendar days vacation. After ten (10) years, employee receives one extra day vacation for each year of service over ten (10) years, up to a maximum of 30 days.
- Sick leave: Employee is required to have a doctor's excuse for absences in excess of three (3) days.

J. Fund Equity

Beginning with fiscal year 2011, the Fire District implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The District establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the District through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In the general fund, the District strives to maintain an unassigned fund balance to be used for unanticipated emergencies.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Fund Equity (continued)

Government-Wide Financial Statements

The page labeled Statement of Net Assets (Statement A) and the page labeled Statement of Activities (Statement B) display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the District's general revenues.

K. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

L. Budget Practices

A proposed operating budget for the General Fund, prepared on the modified accrual basis of accounting, is approved by the District and adopted in accordance with the Local Government Budget Law. The proposed operating budget is legally adopted and amended, as necessary, by the District. All appropriations lapse at year-end.

Formal budget integration is employed as a management control device. Budget amounts included in the accompanying financial statements include the original budget amounts and all subsequent amendments, if any.

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 2011, the District has cash and cash equivalents (book balances) totaling \$170,493. The cash was held in interest-bearing demand deposits.

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2011, the District had \$175,324 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 3 - RECEIVABLES

The receivables of \$442,228 at December 31, 2011, are as follows:

Ad valorem taxes	\$ 442,228
Less allowance for doubtful accounts	<u>-</u>
Total receivables	<u>\$ 442,228</u>

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activities as of and for the year ended December 31, 2011, are as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated				
Buildings	\$ 507,350	\$ -	\$ -	\$ 507,350
Equipment	<u>2,196,100</u>	<u>60,580</u>	<u>-</u>	<u>2,256,680</u>
Total capital assets being depreciated	<u>\$ 2,703,450</u>	<u>\$ 60,580</u>	<u>\$ -</u>	<u>\$ 2,764,030</u>
Less accumulated depreciation for:				
Buildings	\$ (228,671)	\$ (13,570)	\$ -	\$ (242,241)
Equipment	<u>(1,459,486)</u>	<u>(125,004)</u>	<u>-</u>	<u>(1,584,490)</u>
Total accumulated depreciation	<u>\$ (1,688,157)</u>	<u>\$ (138,574)</u>	<u>\$ -</u>	<u>\$ (1,826,731)</u>
Total capital assets being depreciated, net	<u>\$ 1,015,293</u>	<u>\$ (77,994)</u>	<u>\$ -</u>	<u>\$ 937,299</u>

Depreciation expense of \$138,574 for the year ended December 31, 2011, was charged to the public safety functions.

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable at December 31, 2011, are as follows:

Accounts	\$ 4,835
Payroll taxes and retirement	<u>4,800</u>
Total	<u>\$ 9,635</u>

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 6 - GENERAL LONG-TERM DEBT

The following is a summary of the long-term debt transactions for the year ended December 31, 2011:

Payable at January 1, 2011	\$ 95,035
Additions	-
Deductions	<u>95,035</u>
Payable at December 31, 2011	<u>\$ -</u>

NOTE 7 - PENSION PLAN

Plan Description: The District contributes to the Firefighters' Retirement System. The plan is a cost-sharing, multiple-employer defined-benefit pension plan. The plan is administered by a board of trustees. The plan provides retirement benefits, disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Louisiana Revised Statutes 11:2551 et seq. grants the board of trustees the authority to establish and amend benefit provisions of the plan.

The retirement system issues publicly available financial reports that include financial statements and required supplementary information for the plan. The financial reports may be obtained from:

Firefighters' Retirement System
 P. O. Box 94095, Capital Station
 Baton Rouge, Louisiana 70804-9095

Funding Policy: Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The District's rate is 23.5% of annual covered payroll as of December 31, 2011. The District's contribution to the plan for the years ending December 31, 2011 and 2010, was \$13,750 and \$10,313, respectively.

NOTE 8 - RISK MANAGEMENT

The District is exposed to certain risks of losses such as property damage, liability issues, and other potential losses that may occur. The District minimizes its losses by purchase of commercial insurance. The District's exposure over the amount of insurance is considered to be immaterial.

SECTION IV
REQUIRED SUPPLEMENTAL INFORMATION

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CASH BASIS) - GENERAL FUND
YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budget Basis</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes				
Ad valorem taxes	\$ 385,000	\$ 385,000	\$ 490,371	\$ 105,371
Intergovernmental				
State revenue sharing	2,000	2,000	2,795	795
Insurance rebate	20,000	20,000	24,642	4,642
Interest income	6,000	6,000	783	(5,217)
Other revenues	100	100	8,799	8,699
Total revenues	<u>\$ 413,100</u>	<u>\$ 413,100</u>	<u>\$ 527,390</u>	<u>\$ 114,290</u>
<u>EXPENDITURES:</u>				
Public safety				
Salaries and benefits	\$ 234,838	\$ 234,838	\$ 209,401	\$ 25,437
General administrative	87,300	87,300	100,937	(13,637)
Maintenance	49,500	49,500	53,791	(4,291)
Capital outlay	48,000	48,000	60,580	(12,580)
Debt service				
Principal	96,035	96,035	95,035	1,000
Interest	13,965	13,965	5,154	8,811
Total expenditures	<u>\$ 529,638</u>	<u>\$ 529,638</u>	<u>\$ 524,898</u>	<u>\$ 4,740</u>
Excess of revenues over (under) expenditures	\$ (116,538)	\$ (116,538)	\$ 2,492	\$ 119,030
Fund balance, beginning of year	<u>168,001</u>	<u>168,001</u>	<u>168,001</u>	<u>-</u>
Fund balance, end of year	<u>\$ 51,463</u>	<u>\$ 51,463</u>	<u>\$ 170,493</u>	<u>\$ 119,030</u>

See Independent Auditor's Report.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
YEAR ENDED DECEMBER 31, 2011

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the actual data on the cash basis, and variances between the final budget and the actual data.

2. Budget/GAAP Reconciliation

The major differences between the budgetary basis and the GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles net change in fund balances on the budgetary basis schedules to the GAAP basis financial statements for the General Fund.

	General Fund
Net change in fund balance – budget basis	\$ 2,492
Increase	
Net adjustments for revenue accruals	4,653
Net adjustments for expenditure accruals	320
Net change in fund balance – GAAP basis	<u>\$ 7,465</u>

SECTION V
OTHER SUPPLEMENTAL SCHEDULES

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011
COMPENSATION PAID TO BOARD MEMBERS

Dempsey Hillen	\$	600
Dorothy Dew		600
Harvey Cowan		600
Judy Pugh		600
Virgil Barnes		600
		<hr/>
	\$	<u>3,000</u>

See Independent Auditor's Report.

SECTION VI
REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
 AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
 AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
 WITH GOVERNMENT AUDITING STANDARDS**

Members of the Board of Commissioners
 Concordia Fire Protection District No. 2
 Vidalia, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Concordia Fire Protection District No. 2 as of and for the year ended December 31, 2011, which collectively comprise the Concordia Fire Protection District No. 2's basic financial statements, and have issued our report thereon dated June 18, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Concordia Fire Protection District No. 2's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Concordia Fire Protection District No. 2's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Concordia Fire Protection District No. 2's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting. The finding is referenced 2011-1. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Concordia Fire Protection District No. 2's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an object of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information and use of management of the Concordia Fire Protection District No. 2, the Concordia Parish Police Jury, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Silas Simmons, LLP

Natchez, Mississippi
June 18, 2012

SECTION VII
SCHEDULE OF FINDINGS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Section 1: Summary of Auditor's Report

1. Type of auditor's report issued on the primary government financial statements:
 Governmental activities Unqualified
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? No
 - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes
3. Noncompliance material to the primary government financial statements? No

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
SUMMARY OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010

Reference No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
Section I - Internal Control and Compliance Not Material to the Financial Statements				
2010-1	2005	We noted the District does not have adequate segregation of duties in its operations. One individual is responsible for practically every accounting function including record keeping, check writing, making deposits, etc. We recommend an attempt to segregate duties be made by the District.	No	This finding continues in the current year as 2011-1.
2010-2	2005	Louisiana Revised Statute 24:513 requires all audit engagements be completed and transmitted to the Louisiana Legislative Auditor within six months of the close of the entity's year end. Accordingly, this review report for the year ended December 31, 2010, was due to the Legislative Auditor by June 30, 2011. We recommend the District comply with Revised Statute 24:513.	Yes	This finding has been corrected.
Section II- Management Letter				
None				

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATUS OF CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2011

Reference No.	Description of Finding	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
------------------	------------------------	------------------------------	------------------------------	-----------------------------------

Section I - Internal Control and Compliance Not Material to the Financial Statements

2011-1	We noted the District does not have adequate segregation of duties in its operation. One individual is responsible for practically every accounting function including record keeping, check writing, making deposits, etc.	Management indicated that it has only one employee and it would not be cost feasible to add additional persons to the accounting function.	Jan Armstrong	N/A
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We recommend an attempt to segregate duties be made by the District.

Section II - Management Letter

None